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FOREIGN SERVICE DESPATCH

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Central Files

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Summary

Guatemala's determination to carry forward energetically its public works program was reflected in an announcement by Sr. Constantino BERNASCONI, Director General of Highways, that work had begun on the last 87-kilometer sector of the Atlantic Highway and that the entire 300 kilometers from Guatemala City to Puerto Barrios would be graded by December 1953. Sr. Roberto FANJUL, Minister of Economy, termed the Government's four-year public works plan a "Program of National Economic Liberation" and gave a long list of advantages which would accrue to the country therefrom.

Despite recent tensions with its neighbors, Guatemalan authorities opened discussions with delegates from El Salvador for the amplification of the May 1952 trade treaty. The Ministry of Economy recommended to Congress the prompt approval of the International Wheat Agreement.

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Atlantic Highway and Economic Developments

Sr. Constantino Bernasconi, Director General of Highways, announced this week that work had begun on the 87-kilometer stretch of the Atlantic Highway between Guatemala City and Las Pericas, a village on the Motagua River, that grading of the entire 300-kilometer road would be completed by December 1953, and that a paved highway would be opened to traffic in two years. Sr. Bernasconi escorted a group of reporters on a visit to the new section and told them that 2,000 men and 50 heavy tractors soon would be working there under a 150-day intensive work plan.

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The Highway has continued to receive top priority among Guatemalan public works projects and has gained widening public support as results have been demonstrated. However, in the light of past experiences, the scheduled termination dates are regarded as optimistic.

Meanwhile, Minister of Economy Roberto Fanjul, in a lengthy press interview, described the Government's four-year public works plan as a "Program for National Economic Liberation" and said the following benefits would result from it: Annual savings of $7,000,000 in transportation charges when merchants can ship by truck on the Atlantic Highway rather than pay the high rates charged by the United States-owned International Railways of Central America (IRCA); development of capitalistic agricultural production on hundreds of thousands of acres to the east of Guatemala City where the new highways provide outlets to a market; cheaper dock charges through the planned port at Santo Tomás which, he said, would be able to operate at reduced rates because the State was not interested in making profits; a rapid increase in industrial development, which has been seriously retarded because of the small amount of electricity provided by the United States-owned Empresa Electrica, when the Government's 27,000 kw. hydroelectric plant at Jurún is completed; and an "automatic increase in the standard of living due to the absorption of larger and larger numbers of workers by the new industries".

Sr. Fanjul was similarly optimistic some months ago when he was promoting a scheme to exploit the hardwoods of the Department of El Petén with a $6,000,000 Government-private corporation which he alleged would make annual profits of $8,400,000, but the plan failed to materialize.

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Guatemala-El Salvador Trade Treaty

The Salvadoran members of the mixed commission supervising the May 1952 Guatemala-El Salvador trade treaty arrived in Guatemala this week to discuss possible amplification of the free list. A Guatemalan member of the commission told the press that the treaty's success had led to requests by businessmen of both countries for an expansion of the free list and that the commission would carefully study those requests. Since ratification of the treaty, bilateral trade has increased from $480,000 in 1951 to $1,163,000 in 1952 and the agreement has been widely publicized in Guatemala as an example of Central American cooperation.

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International Wheat Agreement

The Ministry of Economy sent the International Wheat Agreement (IWA) to Congress on May 15 for ratification with a recommendation for prompt approval. It said that it was indispensable to guarantee the importation of wheat at stabilized prices so long as domestic production did not satisfy the country's needs. Although the Government has sought to increase production by fixing minimum prices of $3.45 to $3.60 a bushel for domestic wheat and by requiring importers to buy a fixed proportion of domestic flour, Guatemala is still far from being self-sufficient.

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R E Schoenfeld

Rudolf E. Schoenfeld

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